GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3383
ANSWERED ON:12.05.2006
RATIONALIZATION OF STAMP DUTY
Gandhi Smt. Maneka

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has planned to rationalize Stamp Duty so as to make it uniform; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) and (b): Under the Constitution of India, Stamp Duties (but not including rates of stamp duty) fall under Entry 44 of the Concurrent List. Regarding rates of stamp duty, the Central Government has powers to fix the rates in respect of 10 instruments listed in Entry 91 of the Union List, whereas States have the powers in respect of the remaining instruments by virtue of Entry 63 of the State List. The revenue from stamp duties is collected and appropriated entirely by the States concerned by virtue of provisions of Article 268 of the Constitution.

The Central Government has received some suggestions for bringing about uniformity in the rates of stamp duty for certain instruments and for rationalization of such duties. In view of the fact that any change in the rates of stamp duty affects the revenues of the States and also considering the fact that the powers to fix/ revise the rates of stamp duty are with the States in respect of most of the instruments, all such suggestions have to be discussed with the States. Thus it is not feasible to achieve uniformity in the immediate future.